

**BEFORE THE
MISSOURI REAL ESTATE COMMISSION**

**MISSOURI REAL ESTATE
COMMISSION**

3605 Missouri Boulevard
P.O. Box 1339
Jefferson City, MO 65102

Petitioner,

v.

OCTOPUS LLC

3931 Main Street
Kansas City, MO 64111

Respondent.

No. LF-21438

**JOINT MOTION FOR CONSENT ORDER,
JOINT STIPULATION OF FACTS AND CONCLUSIONS OF LAW,
WAIVER OF HEARING,
AND DISCIPLINARY ORDER**

Respondent Octopus LLC ("Octopus") and Petitioner Missouri Real Estate Commission ("MREC") enter into this *Joint Motion for Consent Order, Joint Stipulation of Facts and Conclusions of Law, Waiver of Hearing Before the Missouri Real Estate Commission, and Disciplinary Order* ("Joint Stipulation") for the purpose of resolving the Probation Violation Complaint filed against Octopus on November 24, 2014. Pursuant to the terms of § 536.060, RSMo¹, the parties move for a consent order and waive the right to

¹All references are to the 2000 Revised Statutes of Missouri unless otherwise

a hearing and decision in the above-styled case by the MREC pursuant to § 324.042, RSMo (Cum. Supp. 2013), and jointly stipulate and agree that a final disposition of this matter may be effectuated as described below.

Octopus acknowledges that it is aware of and understands the various rights and privileges afforded it by law, including: 1) the right to a hearing of the charges against it; 2) the right to appear and be represented by legal counsel; 3) the right to have all charges against it proven upon the record by competent and substantial evidence; 4) the right to cross-examine any witness appearing at the hearing against it; 5) the right to present evidence on its behalf at the hearing; 6) the right to a decision upon the record of the hearing by the MREC concerning the complaint pending against it; 7) the right to a ruling on questions of law by the MREC; 8) the right to a claim for attorneys' fees and expenses, and 9) the right to obtain judicial review of the decisions of the MREC. Being aware of these rights provided Octopus by operation of law; Octopus knowingly and voluntarily waives each and every one of these rights and freely enters into this Joint Stipulation. Octopus further agrees to abide by the terms of this document as they pertain to Octopus.

noted.

Octopus acknowledges that it received a copy of the Probation Violation Complaint in this case, which was filed with the MREC on November 24, 2014. Octopus stipulates that the factual allegations contained in this Joint Stipulation are true and stipulates with the MREC that Octopus' Real Estate Association license, no. 2009029876, is subject to further disciplinary action by the MREC in accordance with the provisions of § 324.042, RSMo (Cum. Supp. 2013).

I. JOINT STIPULATION

Based upon the foregoing, the MREC and Octopus jointly stipulate to the following findings of fact and conclusions of law in lieu of the facts and conclusions of law as alleged in the Probation Violation Complaint filed in this case.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The MREC is an agency of the State of Missouri created and existing pursuant to § 339.120, RSMo (Cum. Supp. 2013), for the purpose of executing and enforcing the provisions of §§ 339.010 to 339.180 and §§ 339.710 to 339.860, RSMo 2000 (as amended), relating to real estate salespersons and brokers.

2. Octopus holds a Real Estate Association license, no. 2009029876 ("License"). Octopus' License was current and active at all times herein.

Octopus does business as Real Property Management Kansas City.

3. Effective April 5, 2013, Octopus was placed on probation for a period of five years through the settlement agreement signed by the MREC Executive Director on March 21, 2013 ("Settlement Agreement"). The Settlement Agreement is attached hereto and incorporated herein.

4. Pursuant to § 324.042, RSMo (Cum. Supp. 2013), the MREC has jurisdiction to hold additional hearings and impose further discipline if it finds that a licensee has violated any disciplinary terms previously imposed. Section 324.042, RSMo (Cum. Supp. 2013), states:

Any board, commission, or committee within the division of professional registration may impose additional discipline when it finds after hearing that a licensee, registrant, or permittee has violated any disciplinary terms previously imposed or agreed to pursuant to settlement. The board, commission, or committee may impose as additional discipline any discipline it would be authorized to impose in an initial disciplinary hearing.

5. The MREC also retains jurisdiction over this matter pursuant to Paragraph 7 of the Settlement Agreement, under "II. Joint Agreed Disciplinary Order", which states:

If any alleged violation of this Settlement Agreement occurred during the disciplinary period, the parties

agree that the MREC may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred and, if so, may impose further disciplinary action. Octopus agrees and stipulates that the MREC has continuing jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

6. The Settlement Agreement states in its Paragraph 2 under "II.

Joint Agreed Disciplinary Order":

Terms and conditions of the disciplinary period.
Terms and conditions of the probation are as follows:

F. Octopus LLC shall comply with all relevant provisions of Chapter 339, RSMo, as amended, all rules and regulations duly promulgated thereunder, all local, state, and federal laws. "State" as used herein includes the State of Missouri and all other states and territories of the United States.

7. Section 339.100.2, RSMo (Cum. Supp. 2013), states in pertinent

part:

The commission may cause a complaint to be filed with the administrative hearing commission as provided by the provisions of chapter 621 against any person or entity licensed under this chapter or any licensee who has failed to renew or has surrendered his or her individual or entity license for any one or any combination of the following acts:

(1) Failure to maintain and deposit in a special account, separate and apart from his or her personal or other business accounts, all moneys belonging to others entrusted to him or her while acting as a real

estate broker or as the temporary custodian of the funds of others, until the transaction involved is consummated or terminated, unless all parties having an interest in the funds have agreed otherwise in writing[.]

8. Section 339.105, RSMo (Cum. Supp. 2013) states, in pertinent part:

1. Each broker who holds funds belonging to another shall maintain such funds in a separate bank account in a financial institution which shall be designated an escrow or trust account. This requirement includes funds in which he or she may have some future interest or claim. Such funds shall be deposited promptly unless all parties having an interest in the funds have agreed otherwise in writing. No broker shall commingle his or her personal funds or other funds in this account with the exception that a broker may deposit and keep a sum not to exceed one thousand dollars in the account from his or her personal funds, which sum shall be specifically identified and deposited to cover service charges related to the account.

9. Section 339.730.1, RSMo (Cum. Supp. 2013), states in pertinent part:

A licensee representing a seller or landlord as a seller's agent or a landlord's agent shall be a limited agent with the following duties and obligations:

(1) To perform the terms of the written agreement made with the client[.]

10. State Regulation 20 CSR 2250-8.096(1), states:

Licensees acting with or without a written agreement for brokerage services pursuant to sections 339.710 to

339.860, RSMo, are required to have such relationships confirmed in writing by each party to the real estate transaction on or before such party's first signature to the real estate contract. Nothing contained herein prohibits the written confirmation of brokerage relationships from being included or incorporated into the real estate contract, provided that any addendum or incorporated document containing the written confirmation must include a separate signature section for acknowledging the written confirmation that shall be signed and dated by each party to the real estate transaction.

11. In or about September and October 2013, the MREC conducted a reaudit of Octopus' real estate activity from September 2012 through September 2013. For purposes of this Joint Stipulation, only violations that took place on or after April 5, 2013, the effective date of the Settlement Agreement, will be addressed.

12. The MREC's audit revealed that on at least two occasions, Octopus charged a mark-up on expenses paid to vendors when the management agreements did not state that it could do so, in violation of § 339.730.1(1), RSMo (Cum. Supp. 2013); § 339.100.2(1), RSMo (Cum. Supp. 2013); and § 339.105.1, RSMo (Cum. Supp. 2013).

13. The MREC's audit also revealed that on at least nine occasions, Octopus charged a mark-up on labor and/or material expenses when the management agreements did not state that it could do so, in violation of

§ 339.730.1(1), RSMo (Cum. Supp. 2013); § 339.100.2(1), RSMo (Cum. Supp. 2013); and § 339.105.1, RSMo (Cum. Supp. 2013).

14. The MREC's audit also revealed that on at least two occasions, Octopus charged an administrative and/or bookkeeping fee when the management agreements did not state that it could do so, in violation of § 339.730.1(1), RSMo (Cum. Supp. 2013); § 339.100.2(1), RSMo (Cum. Supp. 2013); and § 339.105.1, RSMo (Cum. Supp. 2013).

15. The MREC's audit also revealed an unidentified overage in a security deposit escrow account, account no. xxxxxx0071, of \$2,089.46, in violation of § 339.105.1, RSMo (Cum. Supp. 2013).

16. The MREC's audit also revealed several overages and shortages during the audit period, resulting in a net shortage of \$3,219.40, in the property management escrow account, account no. xxxxxx0171, in violation of § 339.105.1, RSMo (Cum. Supp. 2013). The overages and shortages included the following:

- a) An overage of \$640.42 due to unexplained adjustment entries to the account in order to reconcile to the bank statement, in October 2012, February 2013, June 2013, and August 2013;
- b) A shortage of \$1,211.44 due to reconciliation adjustments in April 2013 and July 2013;

c) A shortage of \$2,450.18 due to mark-up expenses charged by the brokerage that were not authorized in the management agreements.

d) A net unidentified shortage of \$198.20.

17. The MREC's audit revealed several instances where the designated broker for Octopus signed leases but failed to confirm the brokerage relationship in writing, in violation of 20 CSR 2250-8.096(1); including, but not limited to the following properties:

a) 3431 Askew Avenue, Kansas City, Missouri 64128; signed August 13, 2013;

b) 2916 Lockridge Avenue, Kansas City, Missouri 64128; signed June 20, 2013;

c) 1125 Ditman, Kansas City, Missouri 64134; signed May 16, 2013;

d) 2603 NW Chipman Road, Lee's Summit, Missouri 64081; signed April 14, 2013[.]

18. Based on violations of § 339.730.1(1), RSMo (Cum. Supp. 2013); § 339.100.2(1), RSMo (Cum. Supp. 2013); § 339.105.1, RSMo (Cum. Supp. 2013); and 20 CSR 2250-8.096(1), Octopus has violated Paragraph 2 under "II. Joint Agreed Disciplinary Order," Subsection "F.," of the Settlement

Agreement, providing cause to further discipline its license under § 324.042, RSMo (Cum. Supp. 2013).

II. JOINT DISCIPLINARY ORDER

Based on the foregoing, the parties hereby mutually agree and stipulate that the following shall constitute the order regarding the further discipline of Octopus' License, subject to the following terms and conditions, and entered by the MREC in this matter under the authority of §§ 536.060, RSMo, and 324.042, RSMo (Cum. Supp. 2013). This Joint Stipulation shall become effective fifteen (15) days after being signed by the MREC's Executive Director without further action by either party.

19. Probation. Octopus' License shall continue under the probation set forth in the Settlement Agreement including all terms and conditions set forth therein.

20. Fine. Octopus agrees to pay a civil penalty of \$1000. Said penalty is authorized under § 339.205, RSMo (Cum. Supp. 2013).

21. Octopus agrees to pay the \$1000 civil penalty by certified check made payable to the "Missouri Real Estate Commission, State of Missouri" and mailed to Missouri Real Estate Commission, P.O. Box 1339, Jefferson City, MO 65102-1339. Octopus shall postmark and mail or hand deliver said

check within 60 days of the date when this Joint Stipulation becomes effective.

22. Funds received pursuant to this agreement shall be handled in accordance with Section 7 of Article IX of the Missouri Constitution. Section 339.205.8, RSMo (Cum. Supp. 2013).

23. In the event the MREC determines that Octopus has failed to pay any portion of the \$1000 agreed upon herein or has violated any other term or condition of this Joint Stipulation, the MREC may, in its discretion: (1) notify the Attorney General who “may commence an action to recover the amount of the penalty, including reasonable attorney fees and costs and a surcharge of fifteen percent of the penalty plus ten percent per annum on any amounts owed” under § 339.205.4, RSMo (Cum. Supp. 2013); (2) after an evidentiary hearing, vacate and set aside the penalty imposed herein and may probate, suspend, revoke, or otherwise lawfully discipline Octopus’ license under § 324.042, RSMo (Cum. Supp. 2013); and (3) deny, discipline, or refuse to renew or reinstate Octopus’ license under § 339.205.7, RSMo (Cum. Supp. 2013).

24. Quarterly Reports. During the remainder of the disciplinary period Octopus shall, at its own expense, ensure that quarterly audits of its registered escrow accounts, including account no. xxxxxx0071, are conducted

and completed by a certified public accountant ("CPA") approved by the MREC. Within 15 calendar days of the effective date of this Joint Stipulation, Octopus shall submit to the MREC in writing a list of at least three CPAs, including the CPA's name, address and relationship to Octopus. The MREC may approve one of the listed CPAs or may require Octopus to submit additional names for consideration and approval. The quarterly report should contain a three-way reconciliation from the check register to the bank balance to the owner balance(s). Such quarterly audits shall begin with the second quarter of 2015 and continue throughout the disciplinary period, ending with the last quarter of 2017. Within 30 days of the quarter's end date, Octopus shall cause the CPA who conducted the audit to mail to the MREC by certified mail, return receipt requested, a signed statement from the CPA confirming that the CPA completed a reconciliation of the account(s) and matched the reconciled balance to the check register and the total of all reported owner and/or tenant balances. All documents necessary to prove the reconciliation should be submitted with the CPA's statement. If the CPA should find that the three-way reconciliation does not match, the CPA report should include the detail and documentation necessary to show that all discrepancies were identified and corrected.

25. Continuing Education. Octopus' current designated broker shall complete 9 hours of MREC approved continuing education courses in property management within six months of the effective date of this Joint Stipulation. Also, any new designated broker for Octopus shall complete 9 hours of MREC approved continuing education courses in property management within six months of employment. These courses may be applied towards satisfaction of the designated broker's individual continuing education requirements.

26. Upon the expiration of the disciplinary period, the License of Octopus shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREC determines that Octopus has violated any term or condition of this Joint Stipulation, the MREC may, in its discretion, vacate and set aside the discipline imposed herein and impose such further discipline as it shall deem appropriate.

27. No additional discipline shall be imposed by the MREC pursuant to the preceding paragraph of this Joint Stipulation without notice and opportunity for hearing before the MREC as a contested case in accordance with the provisions of Chapter 536, RSMo. If any alleged violation of this Joint Stipulation occurred during the disciplinary period, the MREC may

choose to conduct a hearing before it to determine whether a violation occurred and may impose further discipline.

28. This Joint Stipulation does not bind the MREC or restrict the remedies available to it concerning any future violations by Octopus of §§ 339.010 to 339.180 and §§ 339.710 to 339.860, RSMo 2000 (as amended), or the regulations promulgated thereunder, or of the terms and conditions of the Settlement Agreement and this Joint Stipulation.

29. This Joint Stipulation does not bind the MREC or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Joint Stipulation that are either now known to the MREC or may be discovered.

30. If any alleged violation of this Joint Stipulation occurred during the disciplinary period, the parties agree that the MREC may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred and, if so, may impose further disciplinary action. Octopus agrees and stipulates that the MREC has continuing jurisdiction to hold a hearing to determine if a violation of this Joint Stipulation has occurred.

31. Each party agrees to pay all their own fees and expenses incurred as a result of this case, its litigation, and/or its settlement.

32. The terms of this Joint Stipulation are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Joint Stipulation nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

33. The parties to this Joint Stipulation understand that the MREC will maintain this Joint Stipulation as an open record as required by Chapters 324, 339, and 610, RSMo, as amended.


34. Octopus, together with its partners, members, managers, successors, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any liability, claim, actions, causes of action, fees, costs, expenses and compensation, including, but not limited to, any claim for attorney's fees and expenses, whether or not known or contemplated, including, but not limited to, any claims pursuant to § 536.087, RSMo, as amended, or any claim arising under 42 U.S.C. § 1983, which now or in the future may be based upon, arise out of, or relate to any of the matters raised in this case or its litigation, or from the negotiation or

execution of this Joint Stipulation. The parties acknowledge that this paragraph is severable from the remaining portions of the Joint Stipulation in that it survives in perpetuity even in the event that any court of law or administrative tribunal deems this agreement or any portion thereof void or unenforceable.

III. CONCLUSION


In consideration of the foregoing, the parties consent to the approval of this Joint Stipulation and to the termination of any further proceedings before the MREC based upon the Probation Violation Complaint filed in the above-captioned cause.

OCTOPUS, LLC, by Julie
Anderson, Attorney In Fact

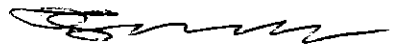
By: 
Julie Anderson under the power
of attorney for Peter Gerolymatos
(power of attorney letter attached)

Title: Peter Gerolymatos, President
of Octopus LLC
Date: 3/20/15

MISSOURI REAL ESTATE
COMMISSION


Joseph Denkler, Executive Director
Date: 3/25/2015

CHRIS KOSTER
Attorney General


Faraz Nayyar
Assistant Attorney General
Missouri Bar No. 64296

Supreme Court Building
207 West High Street
P.O. Box 899
Jefferson City, MO 65102
Telephone: 573-751-7728
Telefax: 573-751-5660
Attorneys for the MREC

LIMITED POWER OF ATTORNEY

I, Peter Gerolymatos, being at least 18 years of age and mentally competent, do hereby designate Julie A. Anderson, at Wise & Anderson, LLC 3740 Broadway, 2nd Floor, Kansas City, Missouri 64113 as my Attorney in Fact (hereinafter referred to as my "Agent").

A. **General Powers.** I give and grant to my Agent general powers to act on my behalf with respect to all lawful subjects and purposes (except as may be specifically provided otherwise in this instrument), such powers to be used for my benefit and on my behalf and to be exercised by my Agent only in a fiduciary capacity, including but not limited to the following:

1. To exercise with respect to any or all of my assets any or all of the powers of all laws of the State of Missouri or any other state in which my Agent resides or in which I have property, in addition to the other powers granted below.
2. To enter into any contract, purchase, sale, lease, loan guaranty or other arrangement on my behalf which shall be binding on me or my estate as fully as though entered into by me when mentally and physically fully competent.
3. To buy, sell, convey and transfer any stocks, bonds or other securities.
4. To buy, receive, lease, accept or otherwise acquire, to sell, convey, mortgage, hypothecate, pledge, quit claim or otherwise encumber or dispose of, or to contract or otherwise arrange for the acquisition, disposition or encumbrance of any other property and wherever situated, whether real, personal, or mixed, or any custody, possession, interest or right in or pertaining to such property, upon such terms and conditions as my Agent shall deem proper.
5. To borrow money from any bank or banks, individuals or corporations for my account and to make, execute and deliver notes or other evidences of indebtedness for such loans, signed in my name by my Agent, and to pledge any and all of my securities, insurance policies and other property, real or personal, which I may possess or own, for the payment of such loans and to execute any and all documents necessary or convenient to carry out these powers.
6. To prepare, execute, and file, income, gift and other tax returns in the United States, and other governmental reports, applications, requests and documents, and to pay any and all taxes, interest and penalties as shall be assessed in connection with such returns, to confer with revenue agents, to prepare, execute, and file refund claims, to collect any tax refunds from the United States or any state or subdivision, to execute agreements extending the statute of limitations, to represent or obtain representation for me before the Internal Revenue Service, the Tax Court of the United States or any other Court in connection with any of such tax matters, and to do anything requisite or necessary in connection with all income, gift and

other taxes required by the laws of the United States or any state or subdivision that I could do in my own person.

7. To continue the operation of any business belonging to me, or in which I have an interest for such time and in such manner as my Agent may deem advisable or to sell or liquidate any business, business interest, at such time and on such terms as my Agent may deem advisable and in my best interests.
8. To acquire and maintain property and casualty insurance of such kind and in such amounts as my Agent deems advisable to protect my assets against any hazard, to claim any benefits or proceeds on my behalf, and to purchase or continue medical or disability insurance for me or any dependent of mine, and to pay all applicable premiums or other charges.
9. To make loans, secured or unsecured, in such amounts, upon such terms, with or without interest, to such firms, corporations, trusts, custodianships, guardianships or person (including my Agent) as shall be appropriate.
10. To appoint from time to time an attorney in fact or other agent acting, under my Agent, with the same or more limited powers and to remove such attorney in fact or agent at will.
11. To employ attorneys, investment counsel, accountants and others to render services for me and to pay the reasonable fees and compensation of such persons for their services.
12. To demand, collect, sue for, compromise, settle, adjust, receive and hold all debts, moneys, claims, securities, goods, or other personal property of any kind and description to which I am not or may become entitled, or which are now or may become due, owing or payable to me from any person or persons or from any firms or corporations, and from any source, and in my name to give effectual receipts and discharges for the same, and do do any and all acts, which may be necessary in connection with the collection any moneys, notes, coupons, evidences of debt, securities, goods, chattels, claims or other personal property which are not or may become due to me or to which I may not be or become entitled.
13. To take, hold, possess, invest, lease or let otherwise management any or all of my interests in property, real, personal or mixed; to eject, remove or relieve tenants or other persons from and recover possession of such property by all lawful means; and to maintain, protect, preserve, insure, remove, install, store, transport, repair, rebuild, modify or improve all or any part of the same.
14. To make, endorse, accept, receive, sign, seal, execute, acknowledge and deliver deeds (with or without covenants of warranty), assignments, agreements, certificates, checks, notes, bonds, vouchers, receipts and such other instruments in writing of any kind and nature as may be necessary, convenient or proper.

15. To institute, prosecute, defend, compromise, arbitrate and dispose of legal, equitable or administrative hearings, actions, suits, attachments, arrests, distraints or other proceedings, and otherwise engage in litigation in connection with my interests.
16. To make, do and transact all and every kind of business of any nature, including the receipt, recovery, collection, payment, compromise, settlement, and adjustment or all acts, legacies, bequests, interest, dividends, annuities, insurance proceeds, demands, debts, taxes and obligations which may now or hereafter be due, owing or payable by or to me.
17. To delegate in another person or entity any powers my Agent possesses under this instrument and to revoke such delegation at any time.
18. To carry on any business transaction of any kind in which I am now or hereafter may become interested, including acting in any capacity I may have as sole proprietor, partner, member, shareholder, officer or director in the following businesses:
 - a. Octopus, LLC
 - b. Real Property Management Kansas City
 - c. EDP Investments and Consulting Group, LLC
 - d. Pythagoras Management Solutions, LLC
 - e. Any future business formed during the time of this Power of Attorney

B. **Form for Signing Name.** My Agent shall use substantially the following form when signed on my behalf pursuant to this Limited Power of Attorney:

- a. "Peter Gerolymatos, by Julie Anderson, Attorney In Fact"
- b. "Octopus, LLC, by Julie Anderson, Attorney In Fact"
- c. "Real Property Management Kansas City, by Julie Anderson, Attorney In Fact"
- d. "EDP Investments and Consulting Group, LLC, by Julie Anderson, Attorney In Fact"
- e. "Pythagoras Management Solutions, LLC, by Julie Anderson, Attorney In Fact"

C. **Liability of Agent; Compensation.** My Agent shall not be liable to me or any of my successors in interest for any action taken or not taken in good faith, but shall be liable for any willful misconduct or gross negligence. My Agent may receive reasonable compensation for services performed as such under this Limited Power of Attorney.

D. **Severability of Provisions; Governing Law.** If any provision of this Limited Power of Attorney is invalid for any reason, such invalidity shall not affect any of the other provisions of this Limited Power of Attorney, and all invalid provisions shall be wholly disregarded. Except where the context otherwise requires, the singular includes the plural and the plural includes the singular. All questions pertaining to

the validity, interpretation and administration of the Limited Power of Attorney shall be determined in accordance with the laws of the State of Missouri.

E. **Presumption of Validity.** This Limited Power of Attorney shall not be affected by uncertainty as to whether I am dead or alive, and it may be accepted and relied upon by anyone to whom it is presented until such person either (1) receives written notice of revocation by me or a guardian (or similar fiduciary) of my estate, or (2) has actual knowledge of my death.

F. **Disclosures.** Before executing this Limited Power of Attorney, my attorney at law explained to me the following:

1. This Limited Power of Attorney provides my Agent with broad powers to dispose of, sell, convey or encumber my real or personal property.
2. The powers granted to my agent in this Limited Power of Attorney begin on the 5th day of March, 2015 and shall terminate on the 5th day of March 2016.
3. I have the right to revoke the Limited Power of Attorney at any time.

I have executed this Limited Power of Attorney in multiple original counterparts, each of which shall be deemed an original copy on this 5th day of March 2015.

[Signature]
Witness (Other than Agent)
[Signature]
Witness (Other than Agent)

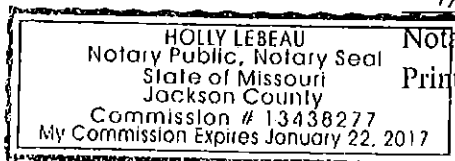
[Signature]
Peter Gerolymatos

STATE OF MO)
) ss.
COUNTY OF Jackson)

On this 5th day of March 2015, before me personally appeared Peter Gerolymatos, to me known to be the person described in and who executed the foregoing Limited Power of Attorney and acknowledged that such instrument was executed by said person as said person's free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

My Term Expires:



[Signature]
Notary Public
Print Name Holly LeBeau

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE COMMISSION
AND
OCTOPUS LLC

Octopus LLC (Octopus LLC) and the Missouri Real Estate Commission (MREC) enter into this Settlement Agreement for the purpose of resolving the question of whether Octopus LLC's license as a real estate association, no. 2009029876, will be subject to discipline. Pursuant to § 536.060, RSMo 2000,¹ the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri and, additionally, the right to a disciplinary hearing before the MREC under § 621.110, RSMo Supp. 2011. The MREC and Octopus LLC jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2011.

Octopus LLC acknowledges that it understands the various rights and privileges afforded it by law, including the right to a hearing of the charges against it; the right to appear and be represented by legal counsel; the right to have all charges proven upon the record by competent and substantial evidence; the right to cross-examine any witnesses appearing against it at the

¹ All statutory citations are to the 2000 Revised Statutes of Missouri unless otherwise noted.

hearing; the right to present evidence on its behalf at the hearing; the right to a decision upon the record of the hearing by a fair and impartial administrative hearing commissioner concerning the charges pending against it; the right to a ruling on questions of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREC at which time Octopus LLC may present evidence in mitigation of discipline; the right to a claim for attorney fees and expenses; and the right to obtain judicial review of the decisions of the Administrative Hearing Commission and the MREC.

Being aware of these rights provided to it by law, Octopus LLC knowingly and voluntarily waives each and every one of these rights and freely enters into this Settlement Agreement and agrees to abide by the terms of this document as they pertain to it.

Octopus LLC acknowledges that it has received a copy of documents that were the basis upon which the MREC determined there was cause for discipline, along with citations to law and/or regulations the MREC believes were violated. Octopus LLC stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREC that Octopus LLC's license as a real estate association, license no. 2009029876, is subject to disciplinary action by the MREC in accordance with the relevant

provisions of Chapter 621, RSMo, and §§ 339.010 to 339.205 and 339.710 to 339.855, RSMo, as amended.

The parties stipulate and agree that the disciplinary order agreed to by the MREC and Octopus LLC in Part II herein is based only on the agreement set out in Part I herein. Octopus LLC understands that the MREC may take further disciplinary action against it based on facts or conduct not specifically mentioned in this document that are either now known to the MREC or may be discovered.

I.

Joint Stipulation of Facts and Conclusions of Law

Based upon the foregoing, the MREC and Octopus LLC herein jointly stipulate to the following:

1. Octopus LLC is a Missouri limited liability company, charter no. LC0992180. At all relevant times herein, Octopus LLC was licensed with the MREC as a real estate association, license no. 2009029876. Octopus LLC does business under the fictitious names of Real Property Management Kansas City which is registered with the MREC and the Missouri Secretary of State.

2. Wesley D. Davis (Davis) holds a real estate broker associate license, no. 2011019183. At all times relevant herein, Davis' licenses were current and active. Davis served as the designated broker of Octopus LLC from June 22, 2011 until 2012.

3. Tim Frazier became the designated broker on September 24, 2012, and serves in that capacity as of the date of this agreement.

4. Peter Gerolymatos, an individual, is the sole member of Octopus LLC, and is not and has never been licensed as a real estate broker or salesperson. During the Audit Period, Gerolymatos supervised and conducted the real estate management business of Octopus LLC. Gerolymatos received commissions and/or other valuable consideration for his real estate management services provided through Octopus LLC.

5. From October 25, 2011 through December 6, 2011, the MREC conducted an audit and examination of Octopus LLC's business records and escrow accounts (Audit) for the period of October 2010 to October 2011 (Audit Period). The findings of fact and conclusions of law set forth hereinafter represent the findings of the Audit.

6. Davis failed to properly supervise and manage the real estate practice of Octopus LLC by being in the office only every couple of weeks, by allowing the unlicensed Gerolymatos to manage the real estate management affairs and retain sole control over the escrow accounts, and by failing to be familiar with the property management software, procedures and activities of Octopus LLC, in violation of 20 CSR 2250-8.020(1), which states:

(1) Individual brokers, designated brokers, and office managers/supervising brokers shall be responsible for

supervising the real estate related activities including the protection of any confidential information as defined under 339.710.8, RSMo of all licensed and unlicensed persons associated with them, whether in an individual capacity or through a corporate entity, association or partnership.

7. From January 22, 2011 to June 22, 2011, Octopus LLC conducted real estate activity without a designated broker. During this time, there were nine management agreements and one lease agreement negotiated which were not signed by a broker or any other licensed representative of Octopus LLC, instead being signed by the owner, Gerolymatos, in violation of §§ 339.020 and 339.180.1, RSMo Supp. 2011.

8. During the audit period, Octopus LLC managed 144 properties for 71 owners. For ten of those properties, Octopus LLC failed to obtain and/or maintain current management agreements, in violation of § 339.780.2, RSMo Supp. 2011 and 20 CSR 2250-8.200(1).

9. According to the October 2011 owner's statements maintained by Octopus LLC, Octopus LLC should be holding rents and security deposits on behalf of its clients in an amount of \$63,429.14, but the reconciled bank statements for such period show a balance of \$13,462.56 leaving a shortage of \$49,966.56, in violation of § 339.105.1, RSMo Supp. 2011, which states:

Each broker who holds funds belonging to another shall maintain such funds in a separate bank account in a

financial institution which shall be designated an escrow or trust account. This requirement includes funds in which he or she may have some future interest or claim. Such funds shall be deposited promptly unless all parties having an interest in the funds have agreed otherwise in writing. No broker shall commingle his or her personal funds or other funds in this account with the exception that a broker may deposit and keep a sum not to exceed one thousand dollars in the account from his or her personal funds, which sum shall be specifically identified and deposited to cover service charges related to the account.

10. Based on the conduct of Octopus LLC, as stipulated to herein, cause exists to discipline the real estate association license of Octopus LLC pursuant to § 339.100.2(1), (7), (15), (16), (19), and (23), RSMo Supp. 2011, which states:

2. The commission may cause a complaint to be filed with the administrative hearing commission as provided by the provisions of chapter 621 against any person or entity licensed under this chapter or any licensee who has failed to renew or has surrendered his or her individual or entity license for any one or any combination of the following acts:

(1) Failure to maintain and deposit in a special account, separate and apart from his or her personal or other business accounts, all moneys belonging to others entrusted to him or her while acting as a real estate broker or as the temporary custodian of the funds of others, until the transaction involved is consummated or terminated, unless all parties having an interest in the funds have agreed otherwise in writing;

.....

(7) Paying a commission or valuable consideration to any person for acts or services performed in violation of

sections 339.010 to 339.180 and sections 339.710 to 339.860*;

.....

(15) Violation of, or attempting to violate, directly or indirectly, or assisting or enabling any person to violate, any provision of sections 339.010 to 339.180 and sections 339.710 to 339.860*, or of any lawful rule adopted pursuant to sections 339.010 to 339.180 and sections 339.710 to 339.860*;

(16) Committing any act which would otherwise be grounds for the commission to refuse to issue a license under section 339.040;

.....

(19) Any other conduct which constitutes untrustworthy, improper or fraudulent business dealings, demonstrates bad faith or incompetence, misconduct, or gross negligence;

.....

(23) Assisting or enabling any person to practice or offer to practice any profession licensed or regulated under sections 339.010 to 339.180 and sections 339.710 to 339.860* who is not registered and currently eligible to practice under sections 339.010 to 339.180 and sections 339.710 to 339.860*[.]

II.

Joint Agreed Disciplinary Order

Based on the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the MREC in this matter under the authority of § 536.060, RSMo, and §§ 621.045.3 and 621.110, RSMo Supp. 2011.

1. **Octopus's license is on probation.** Octopus's license as a Real Estate Association is hereby placed on PROBATION for a period of FIVE YEARS. The period of probation shall constitute the "disciplinary period." During the disciplinary period, Octopus shall be entitled to practice as a Real Estate Association under Chapter 339, RSMo, as amended, provided Octopus adheres to all the terms of this agreement.

2. **Terms and conditions of the disciplinary period.** Terms and conditions of the probation are as follows:

A. Octopus LLC shall keep the MREC apprised at all times of its current address and telephone number at each place of business. Octopus LLC shall notify the MREC in writing within ten (10) days of any change in this information.

B. Octopus LLC shall timely renew its real estate license, timely pay all fees required for license renewal and shall comply with all other requirements necessary to maintain its license in a current and active status. During the disciplinary period, without violating the terms and conditions of this Settlement Agreement, Octopus LLC may surrender its real estate license by submitting a letter to the MREC and complying with 20 CSR 2250-8.155. If Octopus LLC applies for a real estate license after surrender, Octopus LLC shall be required to

requalify as if an original applicant and the MREC will not be precluded from basing its decision, wholly or partially, on the findings of fact, conclusions of law, and discipline set forth in this settlement agreement.

C. Octopus LLC shall meet in person with the MREC or its representative at any such time or place as required by the MREC or its designee upon notification from the MREC or its designee. Said meetings will be at the MREC's discretion and may occur periodically during the probation period.

D. Octopus LLC shall immediately submit documents showing compliance with the requirements of this settlement agreement to the MREC when requested by the MREC or its designee.

E. During the probationary period, Octopus LLC shall accept and comply with unannounced visits from the MREC's representative to monitor compliance with the terms and conditions of this settlement agreement.

F. Octopus LLC shall comply with all relevant provisions of Chapter 339, RSMo, as amended, all rules and regulations duly promulgated thereunder, all local, state, and federal laws. "State" as

used herein includes the State of Missouri and all other states and territories of the United States.

3. Upon the expiration of the disciplinary period, the license of Octopus shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREC determines that Octopus has violated any term or condition of this Settlement Agreement, the MREC may, in its discretion, after an evidentiary hearing, vacate and set aside the discipline imposed herein and may suspend, revoke or otherwise lawfully discipline Octopus's license.

4. No additional discipline shall be imposed by the MREC pursuant to the preceding paragraph of this Settlement Agreement without notice and opportunity for hearing before the MREC as a contested case in accordance with the provisions of Chapter 536, RSMo.

5. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning any future violations by Octopus of Chapter 339, RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

6. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning facts or conduct not specifically

mentioned in this Settlement Agreement that are either now known to the MREC or may be discovered.

7. If any alleged violation of this Settlement Agreement occurred during the disciplinary period, the parties agree that the MREC may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred and, if so, may impose further disciplinary action. Octopus agrees and stipulates that the MREC has continuing jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

8. Each party agrees to pay all their own fees and expenses incurred as a result of this case, its litigation, and/or its settlement.

9. The terms of this Settlement Agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

10. The parties to this Settlement Agreement understand that the MREC will maintain this Settlement Agreement as an open record of the MREC as required by Chapters 339, 610, and 620, RSMo, as amended.

11. Octopus, together with its partners, shareholders, officers, directors, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any liability, claim, actions, causes of action, fees, costs, expenses and compensation, including, but not limited to, any claim for attorney's fees and expenses, whether or not now known or contemplated, including, but not limited to, any claims pursuant to § 536.087, RSMo (as amended), or any claim arising under 42 U.S.C. § 1983, which now or in the future may be based upon, arise out of, or relate to any of the matters raised in this case or its litigation or from the negotiation or execution of this Settlement Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of the Settlement Agreement in that it survives in perpetuity even in the event that any court or administrative tribunal deems this agreement or any portion thereof void or unenforceable.


12. Octopus understands that it may, either at the time the Settlement Agreement is signed by all parties, or within fifteen days thereafter, submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds

for disciplining Octopus's license. If Octopus desires the Administrative Hearing Commission to review this Settlement Agreement, Octopus may submit its request to: Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65101.


If Octopus requests review, this Settlement Agreement shall become effective on the date the Administrative Hearing Commission issues its order finding that the Settlement Agreement sets forth cause for disciplining Octopus's license. If Octopus does not request review by the Administrative Hearing Commission, the Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREC.

RESPONDENT

MISSOURI REAL ESTATE
COMMISSION



Tim Frazier, Registered Broker
Date: Feb 25, 2013



Janet Carder, Executive Director
Date: 3-21-13

WISE & ANDERSON, LLC



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